

STATEWIDE LEASING

FINANCIAL SUMMARY

	FY 2005 EXPENDITURE	FY 2006 APPROPRIATION	FY 2007 REQUEST	GOVERNOR RECOMMENDS FY 2007
Department of Elementary & Secondary Education	\$ 2,929,411	\$ 2,801,999	\$ 4,279,147	\$ 4,279,147
Department of Higher Education	240,285	246,062	303,679	303,679
Department of Revenue	1,914,817	1,571,471	1,663,946	1,663,946
Office of Administration	342,957	795,554	1,856,810	1,856,810
Department of Agriculture	319,196	309,959	798,429	798,429
Department of Natural Resources	2,057,489	2,000,465	3,002,040	3,002,040
Department of Economic Development	2,635,779	2,714,410	4,900,641	4,900,641
Department of Insurance	8,280	8,461	417,381	417,381
Department of Labor and Industrial Relations	747,258	708,750	1,947,853	1,947,853
Department of Public Safety	1,717,620	2,187,504	3,261,324	3,261,324
Department of Corrections	6,148,034	5,636,451	7,506,296	7,506,296
Department of Mental Health	2,452,758	1,636,009	2,599,228	2,599,228
Department of Health and Senior Services	3,551,864	3,603,225	5,742,632	5,742,632
Department of Social Services	15,839,735	16,073,070	23,641,816	23,641,816
Elected Officials	887,387	987,720	5,471,312	5,471,312
Judiciary	825,155	1,034,217	2,711,035	2,711,035
Lease/Purchase St. Louis	0	3	0	0
Lease/Purchase Maryville	0	1,100,000	0	0
Operating Budget Transfer	0	3	0	0
TOTAL	\$ 42,618,025	\$ 43,415,333	\$ 70,103,569	\$ 70,103,569
General Revenue Fund	23,852,224	24,809,742	41,230,670	41,230,670
Federal Funds	13,343,549	13,607,866	19,871,762	19,871,762
Other Funds	5,422,252	4,997,725	9,001,137	9,001,137

DEPARTMENT SUMMARY

In Fiscal Year 2007, the Division of Facilities Management, Design and Construction (DFMDC) will consolidate the cost of operations for all state owned and leased facilities into House Bill 13. Previously the state owned cost allocation plan was appropriated in HB 5, the rent for leased facilities was in HB 13, and the cost of utilities and janitorial for leased facilities was in numerous agency operating budgets. Combining all appropriations into one house bill will allow DFMDC to track the total cost of operations, improve efficiencies as agencies move between state owned and leased facilities and allow DFMDC to accurately charge rent on a real time basis for state owned facilities.

Space Consolidation Efforts

During Fiscal Year 2006, efforts have been underway to terminate leases and consolidate state agencies within state owned space. By comparison, in Fiscal Year 2005, DFMDC leased approx 3.45 million square feet of office space at an annual cost of \$37 million. During Fiscal Year 2006, DFMDC currently leases approx. 3.2 million square feet of office space with an annual cost of \$35 million. Additional consolidation efforts are planned for Fiscal Year 2007.

Reduced Rental Rates and Leasing Costs

DFMDC continues to negotiate with landlords to reduce rental rates, downsize and terminate leases thereby reducing leasing costs. In addition, DFMDC has improved efficiencies within state owned facilities resulting in lower rates for some owned facilities. The improved efficiencies within leased and owned facilities have resulted in the following core cuts in the Fiscal Year 2007 budget:

General Revenue	\$2,776,805
Federal	209,206
Other	334,477
Total	\$3,320,488

STATEWIDE LEASING

DEPARTMENT SUMMARY (Continued)

Benchmarking

DFMDC conducts benchmark comparisons with the Federal General Services Administration (GSA) and other state governments to ensure that the State of Missouri rates are competitive. The State of Missouri rental rates for state owned and leased facilities are comparable or below GSA and other state rates.

Rental Rates

The Fiscal Year 2007 budgeted rental rates for leased facilities are as follows:

<u>MARKET AREA</u>	<u>BUDGETED RENTAL RATE</u>
Metro	\$15.00
St. Louis County	\$17.85
Large City	\$11.50
Outstate	\$10.30

The Fiscal Year 2007 budgeted rental rate for state owned facilities are as follows:

<u>FACILITY</u>	<u>RATE</u>	<u>FACILITY</u>	<u>RATE</u>	<u>FACILITY</u>	<u>RATE</u>
Broadway	\$ 5.32	DOLIR – Gateway	\$ 5.61	Mill Creek	\$ 6.78
Capitol	\$ 6.63	DOLIR - Springfield	\$ 5.10	Mo. Blvd.	\$ 6.47
Choteau	\$ 7.01	DOLIR – St. Louis	\$ 5.10	OA Garage	\$ 6.26
DED Hannibal	\$12.03	Feed & Seed Lab	\$ 8.71	Penney	\$ 7.08
DED Joplin	\$ 8.38	Fletcher Daniel	\$ 7.08	Petro Lab	\$13.84
DED Park Hills	\$ 9.07	Gov. Mansion	\$ 7.89	Prince Hall	\$ 2.61
DED Sedalia	\$11.46	Health Lab	\$ 7.74	Prof. Regist.	\$ 4.98
DED Sikeston	\$ 9.77	Howerton	\$ 5.25	Simpson	\$ 6.26
DED St. Joseph	\$ 9.61	Jefferson Bldg.	\$ 5.64	St. Joseph	\$ 7.27
DED St. Louis	\$ 9.24	Kirkpatrick	\$ 5.94	Supreme Ct.	\$ 4.38
DEQ Lab	\$ 7.05	Landers	\$ 6.83	Truman Bldg.	\$ 6.69
DOLIR	\$ 5.74	Lewis & Clark	\$ 3.87	Wainwright	\$ 7.54
DOLIR – Dunklin	\$ 5.10	Mental Health	\$ 5.81		

REALLOCATION OF CORE DOLLARS

For the Fiscal Year 2007, DFMDC has redirected core dollars for all lease requirements, thereby eliminating the need for any new money in the leasing budget. In addition, core dollars have been redirected within state owned facilities eliminating the need for a new decision item for the Health Lab that will be completed and occupied in August, 2006.

SUMMARY OF STATE OWNED AND LEASED FACILITIES

DFMDC provides asset management for all state owned and leased properties totaling in excess of 7 million square feet of space. The following departments are located within those facilities:

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

The Department of Elementary and Secondary Education has 39 lease contracts totaling over 182,000 square feet of leased space and also occupies 206,000 square feet of space in state owned facilities. The facilities are located statewide and include offices, warehouses, and parking for the Divisions of Vocational Rehabilitation and Disability Determination, State Schools for the Severely Handicapped, and other divisions.

Fiscal Year 2007 Governor's Recommendations

- \$1,320,776 transferred from the Office of Administration's operating budget for state office building rent and leasing administrative costs, including \$603,238 general revenue.
- \$493,718 transferred from the Department of Elementary and Secondary Education's operating budget for janitorial, fuel, and utility costs, including \$62,358 general revenue.
- (\$337,346) federal funds reallocated to various departmental leasing budgets.

STATEWIDE LEASING

DEPARTMENT SUMMARY (Continued)

DEPARTMENT OF HIGHER EDUCATION

The Department of Higher Education occupies two leased facilities totaling approximately 25,000 square feet in Jefferson City for the purpose of housing staff and operations for the Coordinating Board for Higher Education.

Fiscal Year 2007 Governor's Recommendations

- \$49,053 transferred from the Department of Higher Education's operating budget for janitorial, fuel, and utility costs, including \$14,225 general revenue.
- \$9,649 other funds reallocated from various departmental leasing budgets.
- (\$1,085) core reduction from the Fiscal Year 2006 appropriation level.

DEPARTMENT OF REVENUE

The Department of Revenue has 19 lease contracts totaling over 60,000 square feet of leased space and also occupies approximately 298,000 square feet of space within state owned facilities. The facilities are located statewide and out of state and include offices, warehouses, and parking for the Division of Taxation, the State Lottery Commission, the State Tax Commission, and other divisions.

Fiscal Year 2007 Governor's Recommendations

- \$2,012,604 transferred from the Office of Administration's operating budget for state office building rent and leasing administrative costs, including \$2,008,927 general revenue.
- \$150,348 transferred from the Department of Revenue's operating budget for janitorial, fuel, and utility costs, including \$116,561 general revenue.
- (\$1,882,284) core reduction from the Fiscal Year 2006 appropriation level.
- (\$188,193) reallocated to various departmental leasing budgets, including (\$142,553) general revenue.

OFFICE OF ADMINISTRATION

The Office of Administration has 16 leases totaling over 68,000 square feet of leased space and approximately 315,000 square feet of space within state owned facilities for the Divisions of General Services; Facilities Management, Design and Construction; Information Services; Personnel; Purchasing; the Ethics Commission; and other divisions.

Fiscal Year 2007 Governor's Recommendations

- \$1,680,112 transferred from the Office of Administration's operating budget for state office building rent and leasing administrative costs, including \$1,666,220 general revenue.
- \$16,886 transferred from the Office of Administration's operating budget for janitorial, fuel, and utility costs.
- (\$635,742) core reduction from the Fiscal Year 2006 appropriation level, including (\$433,843) general revenue.

DEPARTMENT OF AGRICULTURE

The Department of Agriculture occupies eight leased facilities statewide totaling 27,000 square feet of leased space and approximately 53,000 square feet of space within state owned facilities for the Divisions of Grain Inspection and Warehousing, Market Development, Plant Industries, and the State Milk Board.

Fiscal Year 2007 Governor's Recommendations

- \$430,632 transferred from the Office of Administration's operating budget for state office building rent and leasing administrative costs, including \$300,271 general revenue.
- \$58,621 other funds transferred from the Department of Agriculture's operating budget for janitorial, fuel, and utility costs.
- (\$783) other funds core reduction from the Fiscal Year 2006 appropriation level.

STATEWIDE LEASING

DEPARTMENT SUMMARY (Continued)

DEPARTMENT OF NATURAL RESOURCES

The Department of Natural Resources has 38 lease contracts statewide totaling over 152,000 square feet of leased space and 179,000 square feet within state owned facilities for the Division of Energy, the Division of State Parks, and the regional offices of the Water Protection and Soil Conservation Division and the Air and Land Protection Division. Leases include offices, labs, and air monitoring sites.

Fiscal Year 2007 Governor's Recommendations

- \$893,139 transferred from the Office of Administration's operating budget for state office building rent and leasing administrative costs, including \$172,749 general revenue.
- \$328,160 transferred from the Department of Natural Resources' operating budget for janitorial, fuel, and utility costs, including \$1,165 general revenue.
- \$82,992 other funds reallocated from various departmental leasing budgets.
- (\$302,716) core reduction from the Fiscal Year 2006 appropriation level, including (\$32,193) general revenue.

DEPARTMENT OF ECONOMIC DEVELOPMENT

The Department of Economic Development occupies 40 leased facilities totaling over 233,000 square feet of leased space and 240,000 square feet of space within state owned facilities for the Divisions of Workforce Development, Finance, Credit Unions, Tourism, Motor Carriers and Railroad Safety, Professional Registration, and the Public Service Commission. Leases include offices, warehouses, and parking.

Fiscal Year 2007 Governor's Recommendations

- \$963,546 federal and other funds reallocated from various departmental leasing budgets.
- \$510,311 transferred from the Department of Economic Development's operating budget for facility management services for seven Department of Economic facilities, including \$29,134 general revenue.
- \$392,574 transferred from the Department of Economic Development's operating budget for janitorial, fuel, and utility costs, including \$8,553 general revenue.
- \$319,800 transferred from the Office of Administration's operating budget for state office building rent and leasing administrative costs, including \$295,354 general revenue.

DEPARTMENT OF INSURANCE

The leasing budget includes funds for one parking lease and approximately 60,000 square feet of space within state owned facilities for the Department of Insurance.

Fiscal Year 2007 Governor's Recommendations

- \$408,187 other funds reallocated from various departmental leasing budgets.
- \$733 other funds transferred from the Office of Administration's operating budget for state office building rent and leasing administrative costs.

STATEWIDE LEASING

DEPARTMENT SUMMARY (Continued)

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

The Department of Labor and Industrial Relations occupies 30 leased facilities statewide totaling over 34,000 square feet of leased space and approximately 300,000 square feet of space within state owned facilities for the Office of the Director; Commission on Human Rights; Labor Commission; State Board of Mediation; and the Divisions of Employment Security, Workers' Compensation, Labor Standards, Crime Victims, and Legislative Affairs.

Fiscal Year 2007 Governor's Recommendations

- \$996,096 transferred from the Department of Labor and Industrial Relations' operating budget for facility management services for Department of Labor and Industrial Relations' facilities, including \$27,606 general revenue.
- \$169,825 federal and other funds reallocated from various departmental leasing budgets.
- \$47,980 transferred from the Office of Administration's operating budget for state office building rent and leasing administrative costs, including \$35,088 general revenue.
- \$25,202 federal and other funds transferred from the Department of Labor and Industrial Relations' operating budget for janitorial, fuel, and utility costs.

DEPARTMENT OF PUBLIC SAFETY

The Department of Public Safety has 121 lease contracts totaling over 208,000 square feet of leased space statewide and approximately 61,000 square feet of space within state owned facilities for the Missouri State Highway Patrol, the Adjutant General, and the Gaming Commission. Leases include offices, warehouses, armories, hangers, parking, and land.

Fiscal Year 2007 Governor's Recommendations

- \$762,495 transferred from the Office of Administration's operating budget for state office building rent and leasing administrative costs, including \$249,195 general revenue.
- \$252,268 transferred from the Department of Public Safety's operating budget for janitorial, fuel, and utility costs, including \$55,213 general revenue.
- \$40,853 federal funds reallocated from various departmental leasing budgets.
- \$27,907 other funds transferred from the Department of Public Safety's operating budget for seven leases previously paid from the Department of Public Safety's operating budget.
- (\$9,703) other funds core reduction from the Fiscal Year 2006 appropriation level.

DEPARTMENT OF CORRECTIONS

The Department of Corrections occupies 90 leased facilities totaling over 530,000 square feet of leased space statewide and approximately 108,000 square feet of space within state owned facilities for the Office of the Director, the Board of Probation and Parole, and Missouri Vocational Enterprises.

Fiscal Year 2007 Governor's Recommendations

- \$1,007,438 transferred from the Office of Administration's operating budget for state office building rent and leasing administrative costs, including \$1,005,438 general revenue.
- \$988,556 transferred from the Department of Corrections' operating budget for janitorial, fuel, and utility costs, including \$976,217 general revenue.
- \$59,631 other funds reallocated from various departmental leasing budgets.
- (\$185,780) core reduction from the Fiscal Year 2006 appropriation level.

STATEWIDE LEASING

DEPARTMENT SUMMARY (Continued)

DEPARTMENT OF MENTAL HEALTH

The Department of Mental Health occupies 49 leased contracts totaling over 133,000 square feet of leased space statewide and approximately 108,000 square feet of space within state owned facilities for the Office of the Director and the Divisions of Alcohol and Drug Abuse, Comprehensive Psychiatric Services, and Mental Retardation/Developmental Disabilities.

Fiscal Year 2007 Governor's Recommendations

- \$737,190 transferred from the Office of Administration's operating budget for state office building rent and leasing administrative costs, including \$527,449 general revenue.
- \$226,029 transferred from the Department of Mental Health's operating budget for janitorial, fuel, and utility costs, including \$223,994 general revenue.

DEPARTMENT OF HEALTH AND SENIOR SERVICES

The Department of Health and Senior Services has 94 lease contracts totaling over 370,000 square feet of leased space statewide and approximately 187,000 square feet of space located within state owned facilities for departmental administrative offices and local and district health offices.

Fiscal Year 2007 Governor's Recommendations

- \$1,361,065 transferred from the Office of Administration's operating budget for state office building rent and leasing administrative costs, including \$473,874 general revenue.
- \$748,671 transferred from the Department of Health and Senior Services' operating budget for janitorial, fuel, and utility costs, including \$29,947 general revenue.
- \$41,691 federal funds reallocated from various departmental leasing budgets.
- \$480 federal funds transferred from the Department of Health and Senior Services' operating budget for a parking lease.
- (\$12,500) other funds core reduction from the Fiscal Year 2006 appropriation level.

DEPARTMENT OF SOCIAL SERVICES

The Department of Social Services has 170 lease contracts totaling over 1.3 million square feet of leased space statewide and approximately 700,000 square feet of space within state owned facilities for the Divisions of Child Support Enforcement, Data Processing, Family Services, General Services, Legal Services, Medical Services, and Youth Services.

Fiscal Year 2007 Governor's Recommendations

- \$5,148,214 transferred from the Office of Administration's operating budget for state office building rent and leasing administrative costs, including \$4,381,974 general revenue.
- \$2,700,947 transferred from the Department of Social Services' operating budget for janitorial, fuel, and utility costs, including \$1,718,272 general revenue.
- (\$205,606) reallocated to various departmental leasing budgets, including (\$190,680) general revenue.
- (\$74,809) core reduction from the Fiscal Year 2006 appropriation level, including (\$26,538) general revenue.

ELECTED OFFICIALS

The Legislature, Attorney General, State Auditor, and Secretary of State have 24 lease contracts statewide totaling over 118,000 square feet of leased space and the Governor, Legislature, and Elected Officials occupy approximately 680,000 square feet of space within state owned facilities.

Fiscal Year 2007 Governor's Recommendations

- \$3,982,139 transferred from the Office of Administration's operating budget for state office building rent and leasing administrative costs, including \$3,636,926 general revenue.
- \$666,199 reallocated from various departmental leasing budgets, including \$333,233 general revenue.
- \$50,334 transferred from the Attorney General's operating budget for janitorial, fuel, and utility costs, including \$20,452 general revenue.
- (\$215,080) core reduction from the Fiscal Year 2006 appropriation level.

STATEWIDE LEASING

DEPARTMENT SUMMARY (Continued)

JUDICIARY

The Judiciary has seven leases totaling over 95,000 square feet in Jefferson City, St. Louis, and Springfield for the Office of State Courts Administrator and the Court of Appeals. The Judiciary also occupies approximately 47,000 square feet of space within state owned facilities.

Fiscal Year 2007 Governor's Recommendations

- \$927,665 transferred from the Office of Administration's operating budget for state office building rent and leasing administrative costs, including \$918,927 general revenue.
- \$559,258 transferred from the Office of Administration's operating budget for the St. Louis Old Post Office.
- \$189,895 transferred from the Judiciary's operating budget for janitorial, fuel, and utility costs, including \$162,262 general revenue.

LEASE/PURCHASE ST. LOUIS

In Fiscal Year 2006, the General Assembly added appropriation authority for the purpose of a real property lease and/or purchase of the building at 3101 Chouteau, St. Louis, Missouri.

Fiscal Year 2007 Governor's Recommendations

- (\$3) core reduction from the Fiscal Year 2006 appropriation level, including (\$1) general revenue.

LEASE/PURCHASE MARYVILLE

In Fiscal Year 2006, the General Assembly added appropriation authority for a lease purchase of a facility in Maryville, Missouri for a Northwest Missouri State University Plant Science Building.

Fiscal Year 2007 Governor's Recommendations

- (\$1,100,000) transferred to the Office of Administration's operating budget for debt service for the Northwest Missouri State University's Plant Sciences Building in Maryville.

OPERATING BUDGET TRANSFER

In the past, statewide leasing appropriations could only be used for rent, systems furniture, and related services for leased facilities. This transfer mechanism allowed monies to be transferred from the leasing budget to the operating budget when funds were needed in state-owned rather than leased facilities.

Fiscal Year 2007 Governor's Recommendations

- (\$3) core reduction from the Fiscal Year 2006 appropriation level, including (\$1) general revenue.